

**Lease No.: 8254****County: Pondera****Lessee: George & Wyatt Wood****High Bidder: Joshua Billmayer**

Hearing Time: Friday, April 23, 2010 @ 11:00 a.m.

Tracts: T28N R1W S36: E½ - 320 Ac. - Common School Grant

Grazing Acres: 0 AUM Rating: 0

Ag (CRP) Acres: 311.6

High Bid: 40% crop share or \$40.08/Acre, whichever is greater

Other Bids: None

Previous Rental: Minimum

**Prevalent Community Rental Information:**

State Land County Bid Averages: 33.56% crop share or \$26.60/Acre

MT Ag Statistics 2009 Private Lease Rate: \$18.00/AUM

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**Findings:** George Wood appeared and testified. Mr. Wood has farmed his entire life. The Wood family homesteaded in this area, beginning in November of 1909. Mr. Wood has carefully managed this tract of State trust land for the past 20 years. In order to control saline seep, thickspike grass and Garrison Creeping Foxtail was seeded upon a 4.08 acre patch and a 2.17 acre patch of the lease. Mr. Wood testified that this tract was previously mined for gravel on several occasions. Because of the light sandy loam soils present upon the tract, Mr. Wood believes that grass is the best crop upon this tract, and enrollment in the CRP program is appropriate. Mr. Wood testified that 218 acres of this tract is enrolled in a CRP contract at \$30.99/acre. This contract terminates in 2017. The remaining 93 acres is enrolled in a CRP contract at \$33.41/acre. This contract terminates in 2012. Under these contracts, Mr. Wood maintains the vegetative cover and controls the weeds. Mr. Wood noted that this tract is prone to infestation by Richardson Ground Squirrels and Badgers. Mr. Wood testified that a \$40.00/ acre cash rent for agricultural land would be above the prevailing community standard for Pondera County; particularly if one allowed half of the tract to lie fallow every other year. Mr. Wood stated that crop production input costs (excepting the costs of harvesting, chemical – fallowing, and depreciation on equipment) vary between \$80 and \$120/acre. The Director finds that the High Bid is above community standards for a lease of such lands, and could result in long-term damage to these lands if it were implemented upon this tract.

**Recommendation:** The Director recommends that the Board issue the next term of this lease to George & Wyatt, as the best-qualified Lessees, and that the Board set the rental rate for this lease at the rate of a 33% crop share, with no cash minimum guarantee.